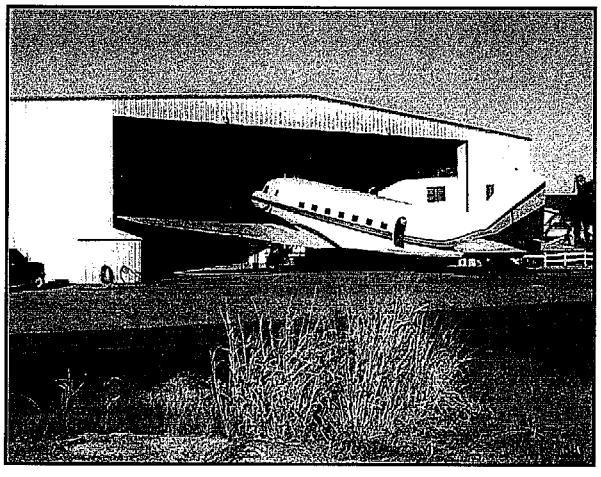
Chapter Six
FINANCIAL PLANS

Chapter Six

FINANCIAL PLANS



The successful implementation of the Eloy Municipal Airport Master Plan will require sound judgement by the City of Eloy. Among the more important factors influencing decisions to carry out a recommendation are timing and airport activity. Both of these factors should be used as references in plan implementation.

Experience has indicated that major problems have materialized from the standard format of past planning documents. These problems center around the plan's inflexibility and inherent inability to deal with new issues that develop from unforeseen changes that may occur after it is completed. The demand-based format used in the development of this master plan has attempted to deal with this issue.

While it is necessary for scheduling and budgeting purposes to consider the timing of airport development, the actual need for facilities is established by airport activity. Proper master planning implementation suggests the use of airport activity levels rather than time as guidance for development. Tracking airport activity levels and then comparing these to forecast activity levels and facility requirements provides decision-makers with the ability to anticipate and plan for when actual facilities are needed.

This chapter of the Master Plan is intended to become one of the primary references for decision-makers responsible for implementing master plan recommendations. Consequently, the narrative and graphic presentations

provides an understanding of each recommended development item. This understanding will be critical in maintaining a realistic and cost-effective program that provides maximum benefit to the City of Eloy, the State of Arizona, the FAA, and Airport users.

The presentation of the financial plan has been organized into two sections. First, the airport development schedule is presented in narrative and graphic form. Secondly, airport improvement funding sources on the federal, state, and local levels are identified and discussed.

AIRPORT DEVELOPMENT SCHEDULE AND COST SUMMARIES

The airport development schedule presented in this chapter outlines the costs for each recommended project and estimates when development should take place. The program outlined on the following pages has been evaluated from a variety of perspectives and represents the culmination of a comparative analysis of basic budget factors, demand, and priority assignments.

Since forecast demand and operational changes can change, frequently on short notice, the airport development schedule has been divided into planning horizons, reflecting short term (0-5 years), intermediate (6-10 years), and long term (11-20 years) goals and needs. Planning horizons are intended to reflect the fact that many future improvements for the Airport are demand-based, rather than time-based, and that the actual need to improve facilities will be linked to specific and verifiable activity. The development schedule should be viewed as a flexible document which can be modified to reflect actual growth in airport activity. The short-term planning period covers items of highest priority. Because of their priority, these are the only items scheduled year-by-year so as to be easily incorporated into City, State, and FAA programming.

Table 6A summarizes the airport development schedule for Eloy Municipal Airport. In addition to the listing of actual improvement projects, an estimate has been made of the timing for implementation and federal and state funding eligibility for each airport improvement project as well as the local share costs for completing the recommended improvements. Due to the conceptual nature of a master plan, implementation of capital improvement projects should occur only after further refinement of their design and costs through engineering and/or architectural analyses. Capital costs in this chapter should be viewed only as estimates subject to further refinement during design. These estimates, however, are considered sufficient for conducting the feasibility analyses presented in this chapter.

SHORT TERM PLANNING HORIZON IMPROVEMENTS

As indicated above, the short term planning horizon is the only development stage that is correlated to time. This is because development within this initial

period is concentrated on the most immediate needs of the airport. Therefore, the program is presented year-by-year to assist in capital improvement programming.

TABLE 6A
Capital Improvement Program (FY2001-2005)

	Total Cost	FAA Eligible	ADOT Eligible	Local
Short Term Planning Horizon				
FY 2001				
1.Acquire Property for T-Hangar Development Area (4.1 Acres)	$55,000	$50,083	$2,459	$2,459
2.Install REILs (Each Runway End)	$78,000	$71,027	$3,487	$3,487
3.Install PAPI-2s (Each Runway End)	$78,000	$71,027	$3,487	$3,487
4.Establish GPS Approaches (Each Runway End)	$0	$0	$0	$0
5.Pavement Preservation (±104,500 s.y.)	$250,000	$0	$225,000	$25,000
Subtotal FY 2001	$461,000	$192,137	$234,432	$34,432
FY 2002				
6.Improvements to Lear Drive (1,150 s.y.)	$37,375	$0	$33,638	$3,738
7.Construct Aircraft Parking Apron (13,450 s.y.)	$475,000	$432,535	$21,233	$21,233
8.Install Apron Area Lighting	$12,000	$10,927	$536	$536
9.Install MITLs on All Existing Taxiways (9,800 l.f.)	$248,430	$226,220	$11,105	$11,105
10.Pavement Preservation (±117,950 s.y.)	$285,000	$0	$256,500	$28,500
Subtotal FY 2002	$1,057,805	$669,683	$323,011	$65,112
FY 2003				
11.Construct T-Hangar Access Taxilanes (1,630 s.y.)	$64,000	$0	$57,600	$6,400
12.Construct 6-unit T-Hangar Facility (7,200 s.f.)	$275,000	$0	$0	$275,000
13.Pavement Preservation (±117,950 s.y.)	$285,000	$0	$256,500	$28,500
Subtotal FY 2003	$624,000	$0	$314,100	$309,900
FY 2004				
14.Construct New Airport Access Road (5,670 s.y.)	$185,000	$0	$166,500	$18,500
15.Pavement Preservation (±123,620 s.y.)	$300,000	$0	$270,000	$30,000
Subtotal FY 2004	$485,000	$0	$436,500	$48,500
FY 2005				
16.Pave/Construct Vehicle Parking Areas (16,000 s.f.)	$57,800	$0	$0	$57,800
17.Pavement Preservation (±134,820 s.y.)	$350,535	$0	$315,482	$35,054
Subtotal FY 2005	$408,335	$0	$315,482	$92,854
Total Short Term Planning Horizon	**$3,036,140**	**$861,819**	**$1,623,524**	**$550,797**

TABLE 6A (Continued) Intermediate and Long Term Horizon Capital Improvement Plan	Total Cost	FAA Eligible	ADOT Eligible	Local
Intermediate Term Planning Horizon				
1.Construct General Aviation Terminal Facility (2,100 s.f.)	$372,650	$0	$335,385	$37,265
2.Construct T-Hangar Access Taxilanes (1,630 s.y.)	$64,000	$0	$57,600	$6,400
3.Construct 6-unit T-Hangar Facility	$275,000	$0	$0	$275,000
4.Conduct Environmental Assessment (EA)for Runway 2-20 Extension	$250,000	$227,650	$11,175	$11,175
5.Pavement Preservation (±139,620 s.y.)	$363,015	$0	$326,714	$36,302
Total Intermediate Term Planning Horizon	**$1,324,665**	**$227,650**	**$730,874**	**$366,142**
Long Term Planning Horizon				
1.Property Acquisition for Runway/Taxiway Extension and RPZ Protection (±23 Acres) ①	$308,535	$280,952	$13,792	$13,792
2.Widen Existing Runway to 75 Feet (6,500 s.y.) ①	$253,500	$230,837	$11,331	$11,331
3.Overlay Existing Runway to 30,000 pounds DWL (32,500 s.y.) ①	$1,056,250	$961,821	$47,214	$47,214
4.Extend Runway 2-20 1,600 Feet from 3,900 Feet to 5,500 Feet (13,350 s.y.) ①	$520,650	$474,104	$23,273	$23,273
5.Construct/Relocate Full-length Parallel Taxiway (24,450 s.y.) ①	$953,550	$868,303	$42,624	$42,624
6.Extend MIRLs (3,200 l.f.) ①	$81,120	$73,868	$3,626	$3,626
7.Relocate REILs (Runway 20) ①	$45,500	$41,432	$2,034	$2,034
8.Relocate PAPI-2s (Runway 20) ①	$45,500	$41,432	$2,034	$2,034
9.Relocate/Install MITLs (11,000 l.f.) ①	$278,850	$253,921	$12,465	$12,465
10.Construct 3 Conventional Hangars (17,200 s.f.)	$656,945	$0	$591,251	$65,695
11.Construct T-Hangar Access Taxilanes (1,270 s.y.)	$49,865	$0	$44,879	$4,987
12.Construct 6-unit T-Hangar Facility (7,200 s.f.)	$275,000	$0	$247,500	$27,500
13.Expand Vehicle Parking Areas (8,800 s.f.)	$31,810	$0	$0	$31,810
14.Pavement Preservation (±192,720 s.y.)	$501,075	$0	$450,968	$50,108
Total Long Term Planning Horizon	**$5,058,150**	**$3,226,670**	**$1,492,989**	**$338,491**
Total Airport Development	**$9,418,955**	**$4,316,139**	**$3,847,387**	**$1,255,430**

Notes: ① Contingent on EA Findings and Agencies Approval.
2. Each item's total cost includes a 30% design and engineering contingency factor.
3. Totals and subtotals may not agree due to rounding.

The short term planning horizon outlined in **Table 6A** reflects the anticipated capital needs of the airport over the next five fiscal years (FY 2001 to FY 2005). **Exhibit 6A** provides a graphic depiction of the short term planning horizon improvements. **Overall, short term planning horizon improvements are estimated to cost approximately $3.0 million** and include the following projects.

Airside: The airside improvements scheduled for the short term planning horizon are limited. Runway end identification lights (REILs) are to be located at each runway end. In addition, visual approach aids, known as PAPI-2s

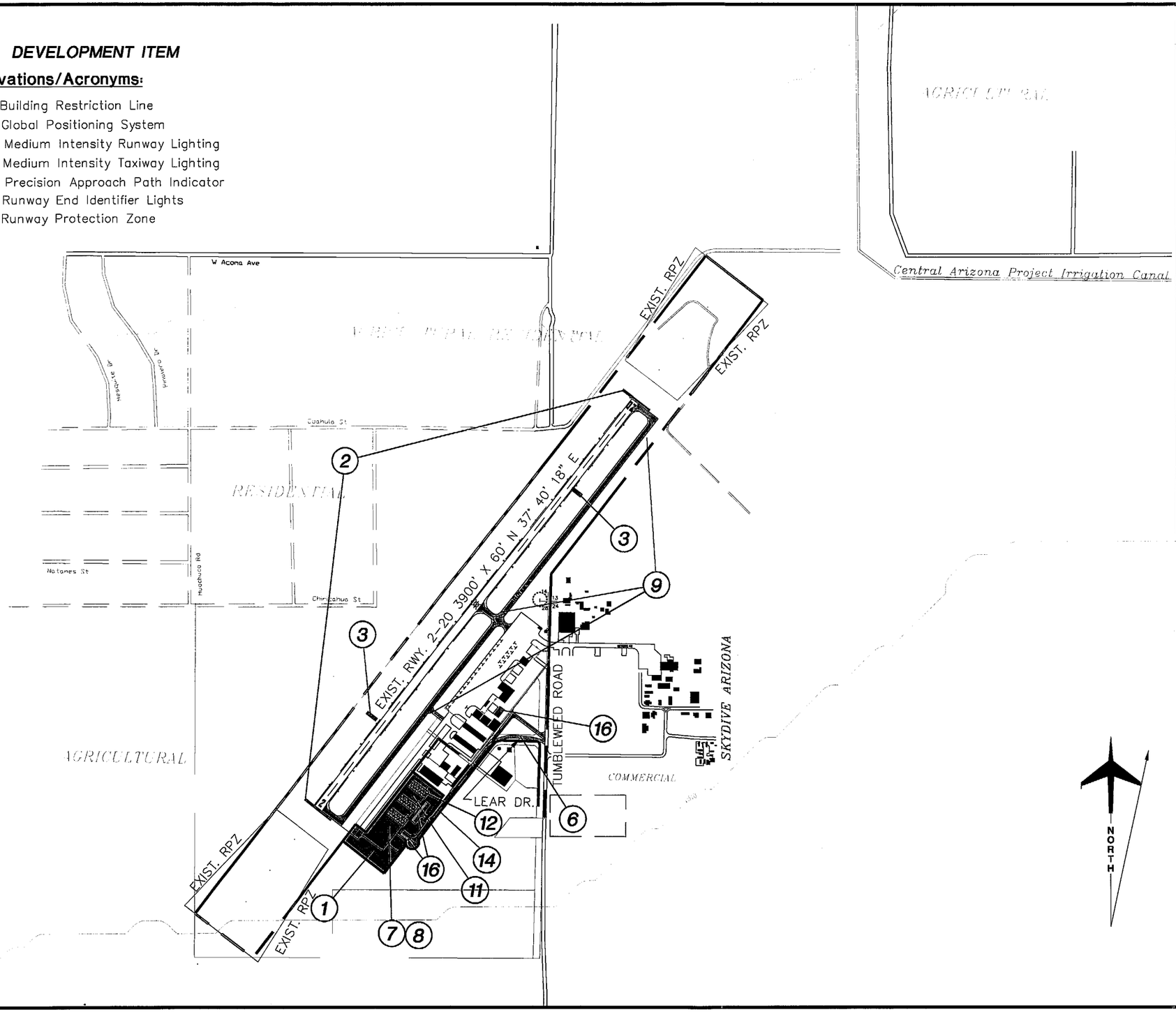
96MP05-6A-10/31/2000

KEY:

① ***DEVELOPMENT ITEM***

Abbrevations/Acronyms:

BRL – Building Restriction Line
GPS – Global Positioning System
MIRL – Medium Intensity Runway Lighting
MITL – Medium Intensity Taxiway Lighting
PAPI – Precision Approach Path Indicator
REIL – Runway End Identifier Lights
RPZ – Runway Protection Zone



DEVELOPMENT ITEM DESCRIPTIONS

	FY 2001
1	Acquire Property for T–Hangar Development Area (4.1 Acres)
2	Install REILs (Each Runway End)
3	Install PAPI–2s (Each Runway End)
4	Establish GPS Approaches (Each Runway End)
5	Pavement Preservation (±104,500 s.y.)
	FY 2002
6	Improvements to Lear Drive (1,150 s.y.)
7	Construct Aircraft Parking Apron (13,450 s.y.)
8	Install Apron Area Lighting
9	Install MITLs on All Existing Taxiways (9,800 l.f.)
10	Pavement Preservation (±117,950 s.y.)
	FY 2003
11	Construct T–Hangar Access Taxilanes (1,630 s.y)
12	Construct 6–Unit T–Hangar Facility (7,200 s.f.)
13	Pavement Preservation (±117,950 s.y.)
	FY 2004
14	Construct New Airport Access Road (5,670 s.y.)
15	Pavement Preservation (±123,620 s.y.)
	FY 2005
16	Pave/Construct Vehicle Parking Areas (16,000 s.f.)
17	Pavement Preservation (±134,820 s.y.)

Note: Not All Projects are Illustrated on This Exhibit.

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ELOY

Exhibit 6A
SHORT TERM PLANNING HORIZON IMPROVEMENTS
FY 2000-2001 THROUGH FY 2004-2005

(precision path approach indicators), are to be installed near each end of Runway 2-20. Medium intensity taxiway lighting (MITLs) is to be installed on all existing Airport taxiways. One mile visibility minimum GPS approaches are scheduled to be implemented to each end of Runway 2-20. Commissioned by the FAA, these approaches are established at no cost to the Airport.

A pavement preservation program designed to keep all aircraft ground movement surfaces (i.e., runways, taxiways, aprons) in safe operating condition is also included in the short term planning horizon.

Landside: Acquire 4.1 acres east of Runway 2 for T-Hangar development which will be completed in stages as demand warrants. A 13,450 square yard aircraft parking apron is to be constructed on this site. Apron area lighting will be installed to enhance night operations as well as improve airfield security. The short term planning horizon calls for one (1) 6-unit T-Hangar structure to be constructed on the apron along with their related access taxilanes.

Improvements to the existing Lear Drive are scheduled for early in the short term planning horizon. Slated for later in this first planning period is the construction of a new entrance to the existing and proposed hangar facilities from the Lear Drive/Tumbleweed Road intersection. An area for non-aviation related development is available on either side of this new entrance road. Designated paved auto parking areas are proposed for the new T-hangar development area.

Any new buildings constructed at the Airport, whether hangars or conventional structures, must conform to applicable sections of the National Fire Protection Association (NFPA) code, the Uniform Fire Code, and the Uniform Building Code, and are subject to inspection and approval of the State Fire Marshall's office. Specific hangar activities, such as aircraft repair and maintenance, may require the implementation of a fire suppression system at Eloy Municipal Airport.

INTERMEDIATE PLANNING HORIZON

The majority of the development items scheduled for the intermediate planning horizon concentrate on increasing the Airport's service level and operations capacity. **Total intermediate term planning horizon improvements are estimated to cost approximately $1.3 million.** This planning period encompasses improvement items scheduled for years 6 through 10, which are illustrated on **Exhibit 6B.**

Airside: Scheduled for this planning period is an Environmental Assessment (EA) relating to the proposed extension (long term planning horizon) of Runway 2-20. The EA must be completed under the guidance of the FAA before any scheduled extension work can begin, including land acquisition.

The pavement preservation program begun in the short term planning period will be continued throughout the intermediate planning horizon.

Landside: On the existing apron edge southwest of Hangar 1 is the proposed 2,100 square foot general aviation terminal building. Should demand warrant, a second, 6-unit T-Hangar structure along with related taxiway access lanes will be constructed in the T-Hangar development area described under the short term planning horizon section.

LONG TERM PLANNING HORIZON

Based on aviation demand forecasts conducted in Chapter Two, by the end of the long term planning horizon the airport is expected to have 48 based aircraft and an annual traffic volume of more than 119,000 operations. The improvements scheduled for the long term planning horizon are designed to keep the Airport on pace with those projected based aircraft and operational needs. Items scheduled for the long term planning horizon (roughly years 11 through 20) are shown on **Exhibit 6C**. **Total long term planning horizon improvements are estimated to cost approximately $5.1 million** and include the following:

Airside: Acquire approximately 23 acres northeast of Runway 2 for the proposed runway/taxiway extension as well as RPZ protection and control. Widen the existing portion of Runway 2-20 to 75 feet and overlay to 30,000 pounds DWL to accommodate the larger ARC B-II corporate type aircraft which are projected to use the Airport in the future. Extend Runway 2-20 to the northeast (Runway 2 end) by 1,600 to an ultimate runway length of 5,500 feet with a runway pavement strength rating of 30,000 pounds DWL. As discussed in Chapter 5, the runway extension could be accomplished in stages with an initial 800-foot runway extension (4,700 feet runway length). Extending the runway will require reapplication of the visual (basic) centerline and numerical designations for the extended runway. Abandon/demolish the existing parallel taxiway east of Runway 2-20 and relocate/construct a new parallel taxiway at the design standard runway-taxiway separation distance of 240 feet centerline-to-centerline. All new taxiways will be constructed to the ARC B-II standard taxiway width of 35 feet and will match the previously discussed ultimate runway pavement strength rating of 30,000 pounds DWL. Centerline and edge marking are to be applied to all new taxiways.

The proposed extension to Runway 2-20 will require the relocation of the REILs and PAPI-2s installed in the short term planning period to the ultimate Runway 2 end. In addition, the runway edge lighting system (MIRL) will need to be extended to match the runway extension. The ultimate parallel taxiway will be equipped with medium intensity taxiway lighting (MITL). Again, these proposed lighting improvements will

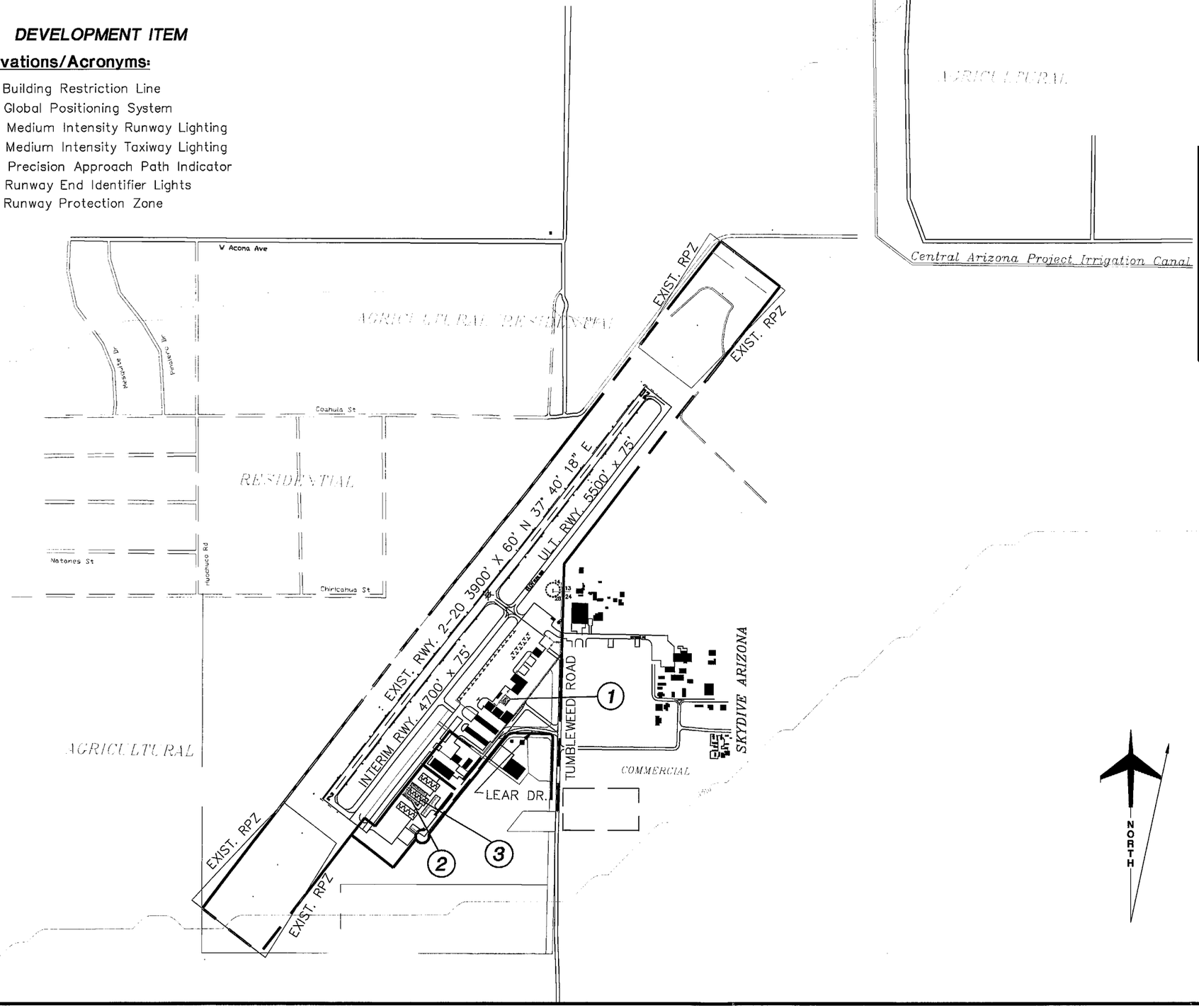
98MP05-6b-10/31/2000

KEY:

① ***DEVELOPMENT ITEM***

Abbrevations/Acronyms:

BRL – Building Restriction Line
GPS – Global Positioning System
MIRL – Medium Intensity Runway Lighting
MITL – Medium Intensity Taxiway Lighting
PAPI – Precision Approach Path Indicator
REIL – Runway End Identifier Lights
RPZ – Runway Protection Zone



DEVELOPMENT ITEM DESCRIPTIONS

	INTERMIDIATE TERM
1	Construct General Aviation Terminal Facility (2,100 s.f.)
2	Construct T–Hangar Access Taxilanes (1,630 s.y.)
3	Construct 6–unit T–Hangar Facility
4	Conduct Environmental Assessment (EA) for Runway 2–20 Extension
5	Pavement Preservation (±139,620 s.y.)

Note: Not All Projects are Illustrated on This Exhibit.

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ELOY MUNICIPAL AIRPORT

Exhibit 6B
INTERMEDIATE TERM PLANNING HORIZON IMPROVEMENTS
(6-10 YEARS)

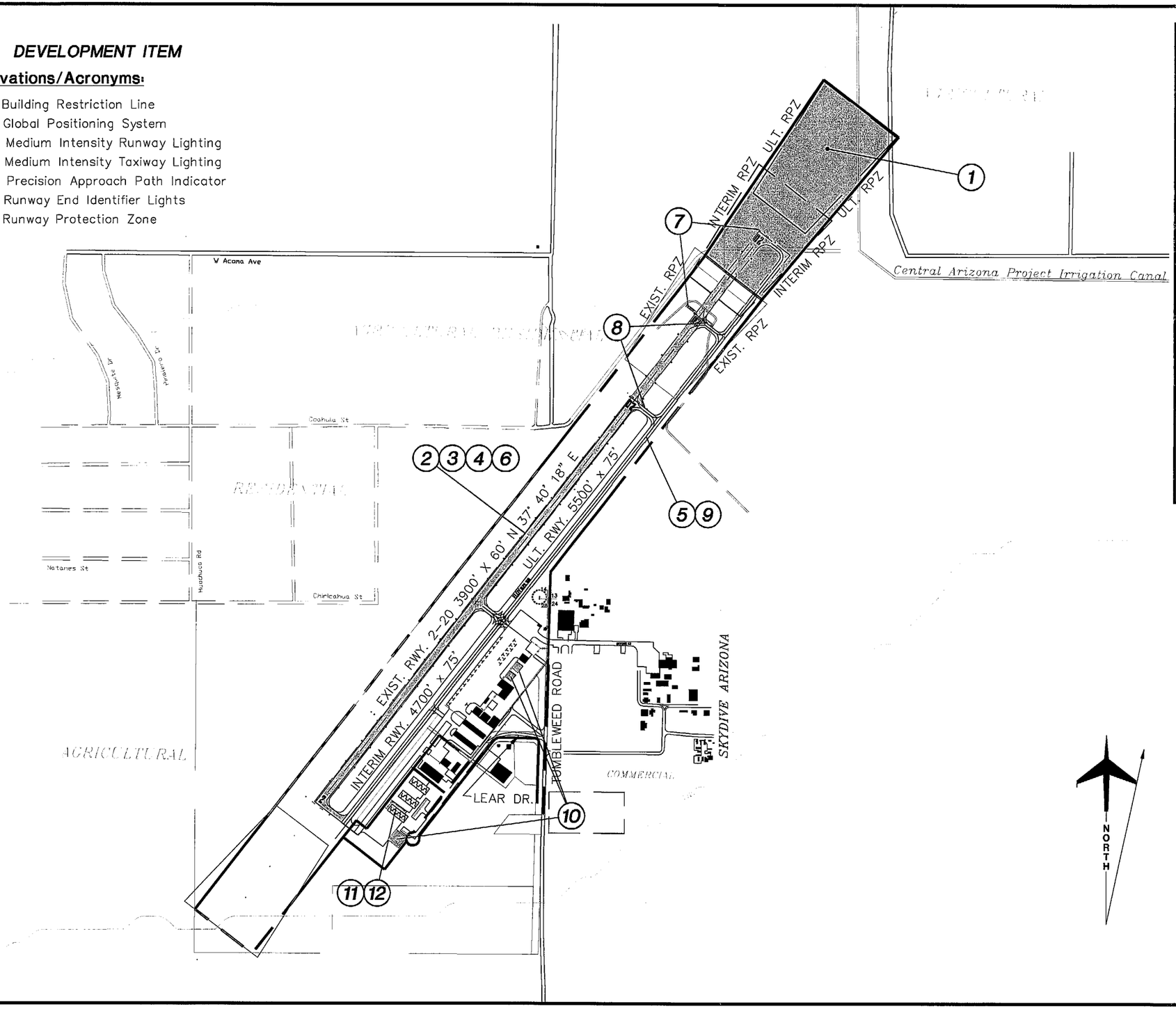
98-MP-05-6C-10/31/2000

KEY:

① ***DEVELOPMENT ITEM***

Abbrevations/Acronyms:

BRL – Building Restriction Line
GPS – Global Positioning System
MIRL – Medium Intensity Runway Lighting
MITL – Medium Intensity Taxiway Lighting
PAPI – Precision Approach Path Indicator
REIL – Runway End Identifier Lights
RPZ – Runway Protection Zone



DEVELOPMENT ITEM DESCRIPTIONS

	LONG TERM
1	Property Acquisition for Runway/Taxiway Extension and RPZ Protection (±23 Acres) ①
2	Widen Existing Runway to 75 Feet (6,500 s.y.) ①
3	Overlay Existing Runway to 30,000 pounds DWL (32,500 s.y.)①
4	Extend Runway 2–20 1,600 Feet from 3,900 Feet to 5,500 Feet (13,350 s.y.)①
5	Construct/Relocate Full–length Parallel Taxiway (24,450 s.y.) ①
6	Extend MIRLs (3,200 l.f.) ①
7	Relocate REILs (Runway 20)①
8	Relocate PAPI–2s (Runway 20) ①
9	Relocate/Install MITLs (11,000 l.f) ①
10	Construct 3 Conventional Hangars (17,200 s.f.)
11	Construct T–Hangar Access Taxilanes (1,270 s.y.)
12	Construct 6–unit T–Hangar Facility (7,200 s.f.)
13	Expand Vehicle Parking Areas (8,800 s.f.)
14	Pavement Preservation (±192,720 s.y.)

Notes:
① Contingent on EA Findings and Agencies Approval.
2. Each item's total cost includes a 30% design and engineering contingency factor.
3. Totals and Subtotals may not agree due to rounding

Note: Not All Projects are Illustrated on This Exhibit.

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SCALE IN FEET

ELOY MUNICIPAL AIRPORT

Exhibit 6C
LONG TERM PLANNING HORIZON IMPROVEMENTS
(10-20 YEARS)

serve to enhance operations both at nighttime and during periods of inclement weather.

As with the two previous planning horizons, the ongoing pavement preservation program will be maintained through the end of the long term planning period.

Landside: Like the first two planning horizons, a 6-unit T-Hangar structure is to be constructed on the apron east of the runway, bringing to 18 the number of new T-Hangar positions available at Eloy Municipal Airport. In addition, three (3) conventional hangars (FBOs) are slated for the long term planning period, one 10,000 s.f hangar will be located south of the new T-Hangars while the other two hangars(3,600 s.f. each) are proposed for the area between existing Hangars 1 and 2. Further expansion of both the GA terminal parking areas and T-Hangar parking areas is also scheduled for this final planning period.

AIRPORT DEVELOPMENT AND FUNDING SOURCES

Financing future airport improvements will not rely exclusively upon the financial resources of the City of Eloy. Airport improvement funding assistance is available through various grant-in-aid programs at both the state and federal levels. The following discussion outlines the key sources for airport improvement funding and how they can contribute to the successful implementation of this master plan.

FEDERAL AID TO AIRPORTS

The United States Congress has long recognized the need to develop and maintain a system of aviation facilities across the nation for the purpose of national defense and promotion of interstate commerce. Various grants-in-aid programs to public airports have been established over the years for this purpose. The most recent legislation is the Airport Improvement Program (AIP) of 1982. The AIP has been reauthorized several times with the most recent reauthorization, the *Wendell H. Ford Aviation Investment and Reform Act for the 21st Century*, January 24, 2000, covering through federal fiscal year 2003.

The amount authorized for the AIP by the above legislation over the next four fiscal years is as follows: Fiscal Year (FY) 2000, $2.475 billion; FY 2001, $3.2 billion; FY 2002, $3.3 billion; and Fiscal Year FY 2003, $3.4 billion. Unfortunately, the funding levels authorized in the AIP legislation are not always the levels appropriated in the annual Congressional budget process. For example, the AIP authorized level for FY 1996 was $2.161 billion, but only $1.45 billion was appropriated. When the appropriation is too low to meet the full entitlement formula, the formula is prorated to the appropriated levels. In 1996, this was approximately 77 percent of the authorized level.

The source for AIP funds is the Aviation Trust Fund. The Trust Fund is the depository for all federal aviation taxes such as those on airline tickets, aviation

fuel, lubricants, tires and tubes, aircraft registrations, and other aviation-related fees. The funds are distributed under appropriations set by Congress to airports in the United States which have certified eligibility. The distribution of grants is administered by the Federal Aviation Administration.

AIP Funds are distributed each year by the FAA under authorization from the United States Congress. A portion of each year's authorized level of AIP funding is distributed to all eligible commercial service airports through an entitlement program that guarantees a minimum level of federal assistance each year. These dollars are calculated based upon enplanement and cargo service levels.

The remaining AIP funds are distributed by the FAA to airports based upon the priority of the project for which they have requested Federal assistance. A National Priority Ranking System is used to evaluate and rank each airport project. Those projects with the highest priority are given preference in funding. Each project at Eloy Municipal Airport must follow this procedure and compete with other airport projects in the State for AIP State Apportionment dollars and across the country for other Federal AIP funds. An important point to consider is that, unlike entitlement dollars for commercial service airports, federal funding would not be guaranteed for Eloy Municipal Airport.

In Arizona, airport development projects that meet FAA's eligibility requirements receive 91.06 percent funding from the AIP. Under the AIP program, examples of eligible development projects include the airfield, aprons, and access roads. However, improvements such as automobile parking, fueling facilities, utilities and hangar buildings are not generally eligible for AIP funds. The FAA has historically not funded these types of facilities, but currently they are under review by the agency for consideration as an eligible airport improvement in the future.

To qualify for AIP funding an airport must be part of the *National Plan of Integrated Airport Systems (NPIAS)*. The *1998-2002 NPIAS* identifies more than 3,660 airports (both existing and proposed) that are important to the national air transportation system. These airports are further classified into seven Airport Type categories. To be included in the *NPIAS*, an airport must meet the definition of one these categories. As discussed in Chapter One, Eloy Municipal Airport, which is classified as general aviation airport, is included in the *NPIAS*. General aviation airports are normally included if they account for enough activity (usually 10 based aircraft) and are at least 20 miles from the nearest NPIAS airport.

FAA FACILITIES AND EQUIPMENT PROGRAM

The Airway Facilities Division of the FAA administers the national Facilities and Equipment (F&E) Program. This annual program provides funding for the installation and maintenance of various navigational aids and equipment for the national airspace system and airports. Under the F&E program, funding is provided for FAA air traffic control towers, enroute navigational aids such as VOR's, and on-airport navigational aids such as PAPIs, and approach lighting systems. As activity levels and other development warrant, the Airfield may be considered by the FAA Airways Facilities Division for the installation and maintenance of navigational aids through the F&E program. Recommended improvements in this master plan which may be eligible for funding through the F&E program include the REILs and PAPIs for each runway end. Should the Airway Facilities Division of the FAA install these navigational aids at the airport, they would be operated and maintained by the FAA at no expense to the airport.

STATE AID TO AIRPORTS

In support of the state airport system, the State of Arizona also participates in airport improvement projects. The source for State airport improvement funds is the Arizona Aviation Fund. Taxes levied by the State on aviation fuel, flight property, aircraft registration tax, and registration fees, (as well as interest on these funds) are deposited in the Arizona Aviation Fund. The State Transportation Board establishes the policies for distribution of these State funds.

Under the State of Arizona grant program, an airport can receive funding for one-half (4.47 percent) of the local share of projects receiving federal AIP funding. The State also provides 90 percent funding for projects, such as pavement maintenance, which are not eligible for AIP funding.

State Airport Loan Program

The Arizona Department of Transportation - Aeronautics Division (ADOT) recently established the Airport Loan Program. This program was established to enhance the utilization of State funds and provide a flexible funding mechanism to assist airports in funding improvement projects. Eligible projects include runway, taxiway, and apron improvements; land acquisition, planning studies, and the preparation of plans and specifications for airport construction projects, as well as revenue generating improvements such as hangars and fuel storage facilities. Projects which are not currently eligible for the State Airport Loan Program are considered if the project would enhance the airport's ability to be financially self-sufficient. **This program has been temporarily suspended by ADOT due to a reduction of funds resulting from the diversion of 50 percent of the Flight Property Tax to the State General Fund.**

There are three ways in which the loan funds can be used: Grant Advance, Matching Funds, or Revenue Generating Projects. The Grant Advance loan funds

are provided when an airport can demonstrate the ability to accelerate the development and construction of a multi-phase project. The project(s) must be compatible with the Airport Master Plan and be included in the ADOT 5-year Airport Development Program. The Matching Funds are provided to meet the local matching fund requirement for securing federal airport improvement grants or other federal or state grants. The Revenue Generating funds are provided for airport-related construction projects that are not eligible for funding under another program.

LOCAL FUNDING (City of Eloy)

The balance of project costs, after consideration has been given to grants, must be funded through local resources. For most airports, there are several alternatives for local finance options for future development at the airport, including airport revenues, bonds, and leasehold financing.

There are several types of revenue bonds. In general, they are a form of municipal bond which is payable solely from the revenue derived from the operation of a facility that was constructed or acquired with the proceeds of the bonds. For example, a Lease Revenue Bond is secured with the income from a lease assigned to the repayment of the bonds. Revenue bonds have become a common form of financing airport improvements. They present the opportunity to provide those improvements without direct burden to the taxpayer. One drawback of revenue bonds is that they normally carry a higher interest rate, because they lack the guarantees of general and limited obligation bonds.

Leasehold financing refers to a developer or tenant financing improvements under a long-term ground lease. The obvious advantage of such an arrangement is that it relieves the City of Eloy of all responsibility for raising the capital funds for improvements; however, the private development of facilities on a ground lease, particularly on property owned by a government agency, produces a unique set of problems. In particular, it is more difficult to obtain private financing as only the improvements and the right to continue the lease can be claimed in the event of a default. Ground leases normally provide for the reversion of improvements to the lessor at the end of the lease term, which reduces their potential value to a lender taking possession.

SUMMARY

The best means of beginning the implementation of recommendations of this master plan is to first recognize that planning is a continuous process that does not end with completion of the master plan. Rather, the ability to continuously monitor the existing and forecast status of airport activity must be provided and maintained. The fundamental issues upon which this master plan is based will remain valid for several years. As such, the primary goal is for the Airport to evolve into a facility that will best serve the air transportation needs of the region and to evolve into a

self-supporting economic generator for the City of Eloy.

Toward meeting this goal, successful implementation of airport improvement projects will require sound judgement by the City of Eloy. Among the more important factors influencing the decision to carry out a specific improvement are timing and airport activity. Both factors should be used as references in the implementation of the master plan. In this master plan, focusing on the timing of airport improvements was necessary; however, the actual need for facilities is more appropriately established by airport activity levels rather than by a specified date. For example, projections have been made as to when additional T-hangar facilities would be needed to accommodate based aircraft growth. In reality, however, the time frame in which additional facilities are needed may be substantially different. Actual demand may be slow in reaching forecast activity levels. On the other hand, increased based aircraft totals may establish the need for new facilities much sooner. Although every effort has been made in this master planning process to conservatively estimate when facility development may be needed, aviation demand will dictate when facility improvements need to be accelerated or delayed.

The real value of a usable master plan is that it keeps the issues and objectives in the mind of the user so that he or she is better able to recognize change and its effect. In addition to adjustments in aviation demand, decisions made as to when to undertake recommended improvements in this master plan will impact the period that the plan remains valid. The format used in this plan is intended to reduce the need for costly updates. Updating can be done by the user, improving the plan's effectiveness.

The planning process requires that the City of Eloy consistently monitor the progress of the Airport in terms of total aircraft operations, total based aircraft, and overall aviation activity. Analysis of aircraft demand is critical to the exact timing and need for new airport facilities. The information obtained from continually monitoring airport activity will provide the data necessary to determine if the development schedule should be accelerated or delayed.